



BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Power and Light Company for Authority to
Adjust Electric and Natural Gas Rates

6680-UR-117

FINAL DECISION

This is the Final Decision in the application of Wisconsin Power and Light Company (WP&L), for authority to reopen docket 6680-UR-117, to consider the over-recovery of fuel cost in docket 6680-FR-103, and to increase retail electric rates for 2011.

Final overall rate changes are authorized consisting of an \$8,150,000 annual rate increase for Wisconsin retail electric operations, a 0.82 percent increase, for the test year ending December 31, 2011. This rate, coupled with the elimination of the fuel surcharge in docket 6680-FR-103 on January 1, 2011, provides an overall decrease of 0.06 percent in customer bills, with some customer classes receiving small bill increases and some customer classes receiving small bill decreases.

Introduction

On April 30, 2010, WP&L filed a request pursuant to Wis. Stat. § 196.20 for authority to increase its electric rates on January 1, 2011. WP&L requested reopening this docket for the limited purpose of presenting for investigation the costs for: (1) the Bent Tree Wind Farm, (2) deferral amortizations ending on December 31, 2010, and (3) variable fuel costs subject to Wis. Admin. Code ch. PSC 116. In its application, WP&L requested a \$35,427,932 (3.57 percent) increase for retail electric operations and no change for natural gas operations. In supplemental testimony submitted on June 18, 2010, WP&L updated its electric request to

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include a change to its forecasted variable fuel costs for biomass test burn activity at the Nelson Dewey Generating Station (Nelson Dewey). WP&L's updated request is a \$38,159,994 (3.84 percent) increase in retail electric operations. On May 27, 2010, the Commission reopened docket 6680-UR-117 to investigate these costs and WP&L's service rules relating to remote connections and disconnections.

On June 17, 2010, a prehearing conference was held to determine the issues to be addressed in this docket and to establish a schedule for the hearings. Additional issues to be addressed in this docket were identified. Hearings were held at the Commission for technical issues on September 1, 2010, and in Madison, Janesville, and Fond du Lac for public comment on September 2, 2010.

The Commission considered this matter at its open meeting on November 11, 2010.

The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. Others who appeared are listed in the Commission's files.

Findings of Fact

1. A total company test year fuel rules monitoring level of fuel costs of \$345,547,000 is reasonable.
2. It is reasonable to calculate the total estimated cost of electric generation from natural gas using New York Mercantile Exchange (NYMEX) futures prices from October 15, 2010.
3. It is reasonable to calculate the total cost of purchased power expense for on-peak energy purchases and non-peak energy purchases using NYMEX futures prices from October 15, 2010, for Cinergy Hub on-peak energy prices and non-peak energy prices.

4. It is reasonable to continue monitoring fuel costs using the following ranges: plus or minus 8 percent monthly; cumulative ranges of plus or minus 8 percent for the first month, plus or minus 5 percent for the second month, and plus or minus 2 percent for the remaining months of the year; and plus or minus 2 percent for the annual range.

5. It is reasonable to include the higher fuel costs for the test burn of biomass fuel at the Nelson Dewey power plant.

6. It is reasonable that the monitored fuel costs approved in this proceeding be used as the fuel cost plan if the new fuel rule takes effect in calendar year 2011. The annual bandwidth will remain at plus or minus 2 percent on an annual basis.

7. It is reasonable that \$5,000,000 of the estimated fuel refund liability in docket 6680-FR-103 offset the test year 2011 revenue deficiency and rate increase.

8. Because WP&L failed to timely inform the Commission of transmission constraints that limit the initial output of the Bent Tree Wind Farm, and because of deficiencies in the record, it is not reasonable to include all of the \$6.9 million in retail jurisdiction fuel costs that WP&L is seeking to replace Bent Tree's lost production. WP&L's lack of candor towards the Commission is inconsistent with the Commissioner's Order in docket 6680-CE-173 and inconsistent with the regulatory compact between WP&L and the Commission. This lack of candor denied the Commission the opportunity to potentially mitigate the impacts of the transmission constraints, and therefore it is reasonable to disallow \$3,235,000 of that amount from the utility's revenue requirement.

9. It is reasonable to require that WP&L keep the Commission fully apprised of transmission developments related to Bent Tree and their effect on the delivery of power from Bent Tree.

10. It is reasonable that the level of expensed energy conservation costs be increased for Wisconsin retail electric operations for test year 2011, with no change in rates. A reasonable level of expensed energy conservation costs for test year 2011 is \$32,578,620 for Wisconsin retail electric operations.

11. A reasonable level of expensed energy conservation costs for test year 2011 is \$7,911,472 for natural gas operations.

12. It is reasonable to continue accounting for allowable electric and natural gas conservation expenditures on an escrow basis.

13. It is reasonable that the level of expensed renewable resource costs be decreased for Wisconsin retail electric operations for test year 2011, with no change in rates. A reasonable level of expensed renewable resource costs for test year 2011 is \$1,065,702 for electric operations.

14. A reasonable level of expensed renewable resource costs for test year 2011 is \$382,920 for natural gas operations.

15. It is reasonable to continue accounting for allowable electric and natural gas renewable resource expenditures on an escrow basis.

16. It is reasonable that the deferral of incremental health care costs authorized in docket 5-GF-195 shall end on December 31, 2010.

17. It is reasonable to include all other Commission staff adjustments that were uncontested.

18. It is reasonable to include \$4,727,000 in 2011 Wisconsin retail electric revenue requirements for deferral benefits ceasing at December 31, 2010.

19. It is reasonable to include \$36,472,000 in 2011 Wisconsin retail electric revenue requirements for Bent Tree Wind Farm impacts.

20. An increase in revenue applicable to Wisconsin retail electric utility operations in the amount of \$8,150,000 is required. This increase in Wisconsin retail electric utility rates is reasonable.

21. It is reasonable to approve an electric rate design in this proceeding that increases the energy charges for the classes that have volumetric charges and the fixture charges for the lighting and siren classes.

22. It is reasonable for WP&L to work with Commission staff to analyze the costs of reconnecting electric meters and submit a proposal to change its reconnection charges when it files its rate case in 2012 (for 2013 rates).

23. It is reasonable to approve the rate changes for electric service and the test year forecasted customer class revenue as shown in Appendix B.

Conclusions of Law

The Commission concludes it has jurisdiction under Wis. Stat. §§ 1.12, 196.02, 196.025, 196.03, 196.19, 196.20, 196.21, 196.37, 196.395, and 196.40 and Wis. Admin. Code chs. PSC 113 and 116 to enter a Final Decision authorizing WP&L to place in effect the rates and tariff provisions for electric utility service set forth in Appendix B, the fuel cost treatment set

forth in Appendix C, and to offset some of the 2011 revenue deficiency with a portion of the 2010 fuel refund liability, subject to the conditions specified in this Final Decision. Such rates and tariff provisions for electric utility service in Appendix B are reasonable and appropriate as a matter of law.

Opinion

Applicant and its Business

WP&L is a public utility, as defined in Wis. Stat. § 196.01(5), operating as an electric and natural gas utility in Wisconsin. Its territory extends across the southern portion of the state from Grant County on the west to Walworth County on the east and extends generally northward through the central part of the state to Wood County and Menominee County. WP&L is a wholly-owned subsidiary of Alliant Energy Corporation.

WP&L provides service to approximately 470,000 retail electric customers and 177,000 natural gas customers. Among the cities served with electricity are Beloit, Janesville, Sheboygan, Fond du Lac, Beaver Dam, Portage, and Monroe. Cities provided with natural gas utility service include Beloit, Janesville, Fond du Lac, Beaver Dam, Ripon, Stoughton, and Portage.

WP&L also sells electricity at wholesale rates to numerous utilities and cooperatives for resale. The Federal Energy Regulatory Commission regulates these wholesale sales that, therefore, are not affected by these proceedings.

Income Statement

Natural Gas Prices

Traditionally the Commission has used the most recent mid-month NYMEX futures prices as the estimate for natural gas prices. In its December 2009 rate-setting decisions, the Commission broke with this tradition and authorized an average of current prices and the NYMEX futures prices. WP&L, in its filing, used the most recent available NYMEX future prices at the time of its April 30, 2010, application for a rate increase for 2011. Commission staff used an estimate of 2011 natural gas prices, with 85 percent of its estimate based on current 2010 natural gas prices and the remainder based on the difference between 2010 natural gas prices and the 2011 NYMEX futures prices.

At the time it presented testimony, Commission staff found that since the economic downturn in the second half of 2008, the NYMEX futures prices had been higher than actual one-day settlement prices for natural gas. Commission staff, therefore, proposed its weighted formula. Commission staff believed this method would be appropriate for two reasons: “(1) the risk premium that is built into current futures prices for 2011; and (2) the fact that as of yet there has not been any significant increase in the demand for energy.”

WP&L argued that the method proposed by Commission staff should not be used because: (1) the Commission has traditionally used the most recent NYMEX futures prices for natural gas costs; (2) there is no risk premium built into the NYMEX futures prices; (3) historically NYMEX futures prices have been higher and lower than NYMEX settlement prices; and (4) NYMEX futures prices are generated by many buyers and sellers who already

have taken into consideration economic conditions along with other supply and demand issues such as storage inventories, drilling activity, and weather.

The updated natural gas prices in Delayed Exhibit 5.7 indicate that NYMEX futures prices now appear to reflect the impacts of the economic downturn. For this reason, the Commission finds that the NYMEX futures prices for 2011 are reasonable estimates for natural gas prices in calculating monitored fuel costs.

Nelson Dewey Biomass Test Burns

It is appropriate to include the higher fuel costs for the test burn of biomass fuel at the Nelson Dewey power plant. There are potential benefits to learn if the Nelson Dewey units are able to burn biomass as a fuel source.

Monitoring of Electric Fuel Costs

Monitored electric fuel costs include only the cost of fuel itself and purchased power energy. The following costs are excluded from monitoring and may only be adjusted in a base rate case:

1. Purchased capacity costs that are required to meet reserve requirements.
2. Firm transmission costs associated with these capacity purchases.
3. Fuel handling and ash handling costs.
4. Sulfur dioxide (SO₂) allowance costs.

Based on information in the record, a reasonable test year monitored fuel cost is \$345,547,000.

The test year fuel cost divided by the test year estimate of net native energy requirements of 13,753,238 megawatt-hours (MWh) results in an average net fuel cost of \$0.02512 per

kilowatt-hour (kWh). Appendix C shows the monthly fuel costs to be used for monitoring purposes.

Monitoring Ranges

Under Wis. Admin. Code § PSC 116.04, the Commission establishes monthly and annual ranges for monitoring the test year fuel forecasts. The following variance ranges are reasonable for monitoring WP&L's fuel costs: (1) for the annual range, plus or minus 2 percent; (2) for the monthly range, plus or minus 8 percent; and (3) for the cumulative range, plus or minus 8 percent for the first month of the year, plus or minus 5 percent for the second month, and plus or minus 2 percent for the remaining months of the year. The method of applying those ranges, established in prior Commission decisions for WP&L, shall continue to be used and applied, using the data in Appendix C for monitoring fuel costs.

New Fuel Rules

The Commission finds the fuel monitoring costs of \$345,547,000 and \$25.12 per MWh approved in this rate case are the appropriate fuel costs for the approved fuel cost plan under a new fuel rule if the new rule takes effect in calendar year 2011. The actual fuel cost shall be based on the same definition of fuel costs as determined in this proceeding. The annual fuel bandwidth shall remain at plus or minus 2 percent under the new fuel rule.

Fuel Refund

WP&L suggested that the Commission could include the fuel refund in docket 6680-FR-103, plus interest, in the 2011 rates that the Commission will set in this docket. WP&L understood that this would require WP&L to pay interest on the refund amount through the 2011

refund period, but believed that this would eliminate the rate volatility its customers would face with an immediate fuel rate refund followed soon thereafter with a change in base rates.

Leaving the current fuel surcharge rate in place through the end of 2010 and offsetting the 2011 electric rate increase with \$5,000,000 of the estimated fuel refund liability help maintain bill stability and may prevent the customer confusion that could result if the Commission were to authorize an electric utility fuel cost credit immediately followed by an electric rate increase. The Commission finds that \$5,000,000 of the estimated fuel refund liability should offset the rate increase approved in this proceeding. As provided in the Final Decision in docket 6680-FR-103, if WP&L returns to its Wisconsin retail ratepayers in the 2011 test year an amount less than the actual amount collected from ratepayers through the interim fuel surcharge with interest at 10.40 percent, any such amount shall be deferred until WP&L's next full rate case with interest at WP&L's current authorized return on equity of 10.40 percent. If WP&L returns to its ratepayers more than the actual amount collected through the 2010 interim fuel surcharge plus interest, the amount shall not be deferred.

Reduced Output from Bent Tree Wind Farm

In 2009 the Commission approved WP&L's application to build a new wind-powered electric generating facility in Minnesota, known as the Bent Tree Wind Farm. The Commission found that Bent Tree would be needed to meet WP&L's Renewable Portfolio Standard for the years 2010 to 2014. The Commission authorized WP&L to expend \$497 million to construct Bent Tree and approved a commercial operation date of 2010. The Commission declared that the project would have a generating capacity of approximately 200 megawatts (MW) and, beginning in 2011, would provide approximately 666,000 MWh of renewable energy. (*Final*

Decision, docket 6680-CE-173 (July 30, 2009), pages 5 and 12.) The Commission required WP&L to notify the Commission immediately of changes in the project's scope, and to submit Quarterly Progress Reports until Bent Tree becomes fully operational. Order Points 3 and 7 of the Final Decision provide:

3. This authorization is for the specific project as described in the application and subsequent filings and at the stated cost. Should the scope, design, or location of the project change significantly, or if the project cost exceeds \$497,370,500 by more than 10 percent, WP&L shall promptly notify the Commission as soon as it becomes aware of the probable change.

7. Until its facility is fully operational, WP&L shall submit quarterly progress reports to the Commission that summarize the status of construction, the anticipated in-service date, and the overall percent of physical completion. WP&L shall include the date when construction commences in its report for that three-month period. The first report is due for the Docket 6680-CE-173 quarter ending September 30, 2009, and each report shall be filed within 31 days after the end of the quarter.

(*Id.* at 13-14.)

Bent Tree depends on ITC Midwest's high-voltage transmission system in Minnesota to deliver its power. In November 2009, however, the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) issued its transmission study for the Bent Tree facility that identified substantial transmission constraints in the area. In its study, Midwest ISO stated that these constraints on the local transmission system would reduce Bent Tree's capacity to only 39 MW, a drop of more than 80 percent. ("Midwest ISO Optional Study," Exhibit 1.7, Schedule A at 4.) These transmission constraints, with immediate adverse effects on Bent Tree's ability to produce and deliver power in test year 2011, are without doubt a significant change in the project's scope.

WP&L was well aware of these constraints and their impact on Bent Tree's performance. The utility's Director of Wind Energy Development reported the transmission problems directly to Alliant Energy's Executive Risk and Review Committee in January 2010. Yet WP&L, contrary to Order Point 3 of the Final Decision, did not notify the Commission when it received the Midwest ISO's study. Neither WP&L's January 2010 Quarterly Progress Report nor its April 2010 Quarterly Progress Report revealed anything about transmission constraints. In its Rate Application, submitted on April 30, 2010, WP&L only included one small line in one schedule that read:

Bent Tree 2011 Generation Levels	204,459
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WP&L offered no further explanation in its Rate Application.

Not until WP&L submitted its July 2010 Quarterly Progress Report did the utility describe to the Commission the problems at Bent Tree with transmission constraints and reduced output. In the July Report, WP&L estimated that, using a different interconnection to the ITC Midwest transmission system, Bent Tree will be able to deliver 334,000 MWh in 2011. Even with this improvement in forecasted energy production levels, for the test year Bent Tree will be able to deliver only 50 percent of the MWh that the Commission approved in its Final Decision.

The transmission constraints at Bent Tree have a direct bearing on costs that WP&L is seeking to recover in test year 2011. To replace Bent Tree's lost generation in test year 2011, WP&L must expend \$8.9 million to purchase power or fuel. Approximately \$6.9 million of this amount applies to the utility's retail jurisdiction. WP&L's failure to notify the Commission promptly of Bent Tree's change in scope also has significance for this rate proceeding because it has frustrated the Commission's ability to audit the utility's Rate Application. Delaying

notification of the lost generation until only 12 days remained before Commission staff and parties filed their testimony impeded an investigation into how much of the replacement power costs WP&L may have been able to avoid if the utility had notified the Commission in a timely and forthright manner. Furthermore, if the Commission had learned about this problem in a timely manner, it may have decided that fully reviewing WP&L's rates would be more appropriate for this docket than a limited rate reopening.

The Commission recognizes that prompt notice of Bent Tree's transmission constraints in November 2009 would not have avoided all of the replacement power costs for test year 2011. Yet the record does not explain how much of these costs are justified and how much could have been averted. Because of WP&L's delay in identifying the transmission constraints, the Commission was denied the opportunity to work with WP&L to potentially mitigate the financial impacts of the transmission constraints. WP&L has the burden of proving that its replacement power costs for the test year are reasonable, but the evidence presented, in part because of its timing, cannot fully answer these questions now.

WP&L's lack of candor also implicates its respect for and willingness to comply with the regulatory compact. That compact between the regulator and the utility depends on the full disclosure of information to provide fundamental fairness for both the utility and ratepayers.

Given these factors, it is not reasonable to approve all of the \$6.9 million in retail jurisdiction fuel costs that WP&L is seeking to replace Bent Tree's lost production. To keep WP&L's rates within the range of reasonableness, the Commission finds it appropriate to disallow \$3,235,000 from the utility's revenue requirements.

WP&L represented that ITC Midwest's Hayward to Freeborn transmission line, which is a principal transmission constraint for Bent Tree, should be rebuilt by December 31, 2012. However, the record includes no written agreements or contracts confirming that date or any description of what milestones must be met to complete construction by that date. Furthermore, even after ITC Midwest rebuilds its Hayward-Freeborn line, it will need to perform additional transmission improvements before Bent Tree can deliver full output to WP&L. Any additional delays could have rate impacts in future rate proceedings. The Commission therefore reserves judgment, for future rate cases, about whether WP&L's interactions with ITC Midwest are sufficient to protect the utility's investment in Bent Tree. The Commission also finds it reasonable to require that WP&L keep the Commission fully apprised of transmission developments related to Bent Tree and their effect on the delivery of power from Bent Tree.

Commissioner Meyer dissents from this portion of the Final Decision.

Energy Conservation, Renewable Resource, and Incremental Health Care Costs

In the Final Decision in docket 6680-UR-117, mailed on December 18, 2009, the Commission determined that the level of expensed energy conservation costs recoverable for test year 2010 is \$29,714,638 for Wisconsin retail electric operations and \$7,911,472 for natural gas operations. The level of renewable resource costs recoverable for test year 2010 is \$1,167,080 for electric operations and \$382,920 for natural gas operations.

In this limited reopening, WP&L requested that it continue amortizing energy conservation costs of \$29,714,638 for Wisconsin retail electric operations and \$7,911,472 for natural gas operations and continue amortizing renewable resource costs of \$1,167,080 for electric operations and \$382,920 for natural gas operations for 2011.

WP&L's 2011 retail revenue requirement cost-of-service study (COSS), on the other hand, reflected amortizations of energy conservation and renewable resource costs that were higher for its electric and natural gas operations by \$2,762,604 and \$119,604, respectively, than the current amortization levels WP&L is requesting for 2011. Commission staff reviewed WP&L's 2011 retail electric revenue requirement COSS to determine whether limiting the change in rates to the cost elements proposed by WP&L would result in unreasonable, excessive rates for customers if other material cost decreases existed, but were not reflected in the rate change.

Commission staff found that the retail electric and natural gas revenue requirements were overestimated in WP&L's 2011 retail revenue requirement COSS and proposed that two additional adjustments be made to obtain a reasonable outcome in this proceeding: (1) require WP&L to expense energy conservation and renewable resource costs at the higher levels included in its 2011 retail revenue COSS for its electric operations, with no change in the revenue increase; and (2) end, on December 31, 2010, the deferral of incremental costs that may be authorized by the Commission in docket 5-GF-195 in order to comply with the recently enacted federal health care laws. With these two additional adjustments, Commission staff's analysis indicated the WP&L would forego small revenue deficiencies. WP&L suggested that a more reasonable position would be to authorize WP&L to continue to expense conservation costs at previously approved 2010 levels in 2011 and require the utility to expense the incremental health care legislation as proposed by Commission staff.

The Commission finds that the level of expensed energy conservation costs and renewable resource costs for Wisconsin retail electric operations should be increased by

\$2,762,604 for 2011, with no change in the revenue increase. Specifically, the 2010 level of expensed conservation costs should be increased by \$2,863,982 for 2011, while the 2010 level of expensed renewable resource costs should be decreased by \$101,378 for 2011. The level of expensed conservation costs for 2011 is \$32,578,620 for Wisconsin retail electric operations and the level of expensed renewable resource costs for 2011 is \$1,065,702 for electric operations. The level of expensed conservation costs is unchanged for 2011 natural gas operations and is \$7,911,472. The level of expensed renewable resource costs is also unchanged for 2011 natural gas operations and is \$382,920. It is reasonable for WP&L to continue accounting for allowable electric and natural gas conservation expenditures on an escrow basis. It is reasonable for WP&L to continue accounting for allowable electric and natural gas renewable resource expenditures on an escrow basis.

The Commission finds that the deferral of incremental health care costs authorized in docket 5-GF-195 will end on December 31, 2010. The issue of recovery in rates of the incremental health care costs that are deferred through December 31, 2010, will be addressed in a future proceeding.

Summary of Revenue Increase

In addition to the findings regarding the specific items discussed in this opinion, all other Commission staff adjustments to WP&L's filed revenue increase in retail electric operations were uncontested and the Commission finds them reasonable and just. On the basis of the findings of this Final Decision, an \$8,150,000 increase in Wisconsin retail electric utility revenues is reasonable for the purposes of determining reasonable and just rates and is summarized as follows:

Incremental Revenue Requirement from 2010 to 2011

Description	Retail Electric (000's)
Monitored Fuel Costs	\$(24,815)
Deferral Benefits Ceasing at December 31, 2010	4,727
Bent Tree Wind Farm	<u>36,472</u>
Requirement Impact in 2011	\$ 16,385
2010 Fuel Cost Over-Recovery Offset	(5,000)
Disallowance Related to Bent Tree	<u>(3,235)</u>
Total Revenue Requirement Impact in 2011	<u>\$ 8,150</u>

Electric Revenue Allocation and Rate Design

An electric revenue allocation that results in an approximate 0.98 percent increase for the small use customer classes, which include residential, small commercial and lighting customers, an approximate 0.74 percent increase for the medium commercial customer classes, and an approximate 0.56 percent increase for the large commercial and industrial customer classes, is just and reasonable. The authorized revenue allocation and rate design for electric utility service are shown in Appendix B. With the termination of the fuel surcharge in docket 6680-FR-103, the combined effect on customers' bills will result in slight increases or decreases, depending on the customer class.

Commission staff's electric rate design as adjusted for the final revenue requirement and the revenue allocation summarized above is reasonable. It is reasonable to maintain all of the customer charges and demand charges at their current levels. The energy charges for all customer classes that have volumetric rates are increased by a uniform percentage within each rate class. The fixture charges of the lighting and siren rate classes are also increased by a uniform percentage within each rate class. All of these rate changes are reasonable. The authorized electric rates are shown in Appendix B.

Commission staff proposed that it work together with WP&L to determine the proper pricing for both traditional and remote reconnections of electric meters and submit this information to the Commission when WP&L files its next full rate case in 2011. WP&L alternately proposed that this information be submitted one year later. WP&L is willing to include a proposal for changing reconnection charges in its rate case to be filed in 2012 (for rates effective in 2013). This would allow WP&L to finish its pilot project to test the remote reconnection capabilities of its automated meter reading technology during 2011. The Commission finds WP&L's proposal reasonable and directs WP&L to work with Commission staff to analyze the costs of traditional and remote reconnections of electric meters and to submit a proposal for changing its reconnection charges in its rate case to be filed in 2012.

Effective Date

The test year commences on January 1, 2011. Under Wis. Stat. § 196.40, an order of the Commission shall take effect 20 days after it has been filed and served on the parties to the proceeding, unless the Commission specifies a different effective date in the order. The Commission finds it reasonable for this Final Decision to take effect one day after the date of mailing. Pursuant to Wis. Stat. §§ 196.19 and 196.21, the changes in rates and tariff provisions that are authorized in this Final Decision take effect as described below.

Order

1. This Final Decision takes effect one day after the date of mailing. The authorized rate increases and tariff provisions that restrict the terms of service shall take effect January 1, 2011, provided that the utility files these rates and tariff provisions with the Commission and places them in all of the utility's offices and pay stations by that date. If these rate increases and

tariff provisions are not filed with the Commission and placed in all offices and pay stations by that date, they shall take effect on the date they are filed with the Commission and placed in all offices and pay stations.

2. WP&L may revise its existing rates and tariff provisions for electric utility service, substituting the rate increases and tariff provisions that restrict the terms of service, as shown in Appendix B. These changes shall be in effect until the Commission issues an order establishing new rates and tariff provisions.

3. WP&L shall prepare bill inserts that properly identify the rates authorized in this Final Decision. WP&L shall distribute these inserts to customers with the first billing containing the rates authorized in this Final Decision and shall file copies of these inserts with the Commission before it distributes the inserts to customers.

4. The fuel costs in Appendix C shall be used for monthly monitoring of WP&L's fuel costs, pursuant to Wis. Admin. Code ch. PSC 116.

5. WP&L shall use the following ranges to monitor fuel costs: plus or minus 8 percent monthly; cumulative ranges of plus or minus 8 percent for the first month, plus or minus 5 percent for the second month, and plus or minus 2 percent for the remaining months of the year; and plus or minus 2 percent for the annual range. If the Commission's new fuel rule takes effect in 2011, the monitored fuel costs approved in this proceeding shall be used as WP&L's fuel cost plan. The annual bandwidth shall be plus or minus 2 percent on an annual basis.

6. WP&L shall keep the Commission fully apprised of transmission developments related to Bent Tree and their effect on the delivery of power from Bent Tree.

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7. WP&L shall continue accounting for allowable electric and natural gas conservation expenditures on an escrow basis.

8. WP&L shall continue accounting for allowable electric and natural gas renewable resource expenditures on an escrow basis.

9. WP&L shall end the deferral of incremental health care costs authorized in docket 5-GF-195 on December 31, 2010.

10. Jurisdiction is retained.

Dated at Madison, Wisconsin, December 3, 2010

By the Commission:


Sandra J. Paske
Secretary to the Commission

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See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: December 17, 2008

¹ See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

WISCONSIN POWER & LIGHT COMPANY

**SUMMARY OF ELECTRIC REVENUES
FOR TEST YEAR 2011**

RATE CLASS	Schedule	PRESENT REVENUES	AUTHORIZED REVENUES	DOLLAR INCREASE	PERCENT INCREASE
General Service	Gs-1	\$ 553,017,771	\$ 558,413,229	\$ 5,395,458	0.98%
General Service TOD	Gs-3	8,304,349	8,388,503	84,154	1.01%
General Service Non-metered	Gs-4	234,541	237,432	2,891	1.23%
General Service TOD w/ Water Heating	Gw-1	3,150,526	3,188,984	38,458	1.22%
Controlled Water Heating (17 hr.)	Rw-1	898,709	909,701	10,992	1.22%
Controlled Water Heating (11 hr.)	Rw-3	231,867	234,717	2,850	1.23%
Commercial Service - Standard	Cg-2	80,703,254	81,302,148	598,894	0.74%
Commercial Service - TOD	Cg-2 TOD	20,511,383	20,662,142	150,759	0.74%
Industrial Service - Secondary/Primary	Cp-1	259,935,942	261,464,377	1,528,435	0.59%
Industrial Service - Transmission	Cp-2	57,992,106	58,247,237	255,131	0.44%
Streetlighting Service	Ms-1	6,094,440	6,153,393	58,953	0.97%
Decorative Lighting	Ms-2	46,713	47,167	454	0.97%
Area Lighting	Ms-3	1,993,582	2,013,029	19,447	0.98%
Traffic Signal Lighting	Mz-1	287,912	290,687	2,775	0.96%
Civil Defense & Fire Sirens Service	Mz-2	6,740	6,805	65	0.96%
Non-Standard Lighting	NL-1	50,691	50,807	116	0.23%
TOTAL ELECTRIC		\$ 993,460,526	\$ 1,001,610,358	\$ 8,149,832	0.82%

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	AUTHORIZED RATES
GENERAL SERVICE, Gs-1			
Equivalent Monthly Customer Charge:	Single-phase	\$7.67	\$7.67
	Three-phase	\$15.55	\$15.55
Daily Customer Charge:	Single-phase	\$0.2522	\$0.2522
	Three-phase	\$0.5113	\$0.5113
Energy Charge (per kWh):	Summer	12.0640 ¢	12.1900 ¢
	Non-Summer	10.9750 ¢	11.0920 ¢
Act 141 \$ in Base Rates		0.1710 ¢	0.1710 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		0.1550 ¢	0.1550 ¢
Primary Voltage Discount		2.50%	2.50%
Fuel Adjustment Clause (per kWh)		0.0000 ¢	0.0000 ¢

GENERAL SERVICE TIME-OF-DAY, Gs-3

Equivalent Monthly Customer Charge:	Single-phase	\$7.67	\$7.67
	Three-phase	\$15.55	\$15.55
Daily Customer Charge:	Single-phase	\$0.2522	\$0.2522
	Three-phase	\$0.5113	\$0.5113
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	20.5200 ¢	20.7390 ¢
	Non-Summer	19.3910 ¢	19.5980 ¢
Off-Peak (12 hr.):	Summer	5.4470 ¢	5.5050 ¢
	Non-Summer	5.4470 ¢	5.5050 ¢
On-Peak (14 hr.):	Summer	19.5430 ¢	19.7510 ¢
	Non-Summer	18.4680 ¢	18.6650 ¢
Off-Peak (10 hr.):	Summer	5.4470 ¢	5.5050 ¢
	Non-Summer	5.4470 ¢	5.5050 ¢
Act 141 \$ in Base Rates		0.1710 ¢	0.1710 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		0.1140 ¢	0.1140 ¢
Primary Voltage Discount		2.50%	2.50%
Fuel Adjustment Clause (per kWh)	On-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	On-Peak (14 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (10 hr.):	0.0000 ¢	0.0000 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES	PRESENT	AUTHORIZED
BY RATE CLASSIFICATION	RATES	RATES

GENERAL SERVICE NON-METERED, Gs-4

Equivalent Monthly Customer Charge	\$5.70	\$5.70
Daily Customer Charge	\$0.1874	\$0.1874
Energy Charge (per kWh) Summer	11.8410 ¢	12.0090 ¢
Non-Summer	10.7060 ¢	10.8580 ¢
Fuel Adjustment Clause (per kWh)	0.0000 ¢	0.0000 ¢

CONTROLLED WATER HEATING 17 HR. SERVICE, Rw-1

Equivalent Monthly Customer Charge	\$3.42	\$3.42
Daily Customer Charge	\$0.1125	\$0.1125
Energy Charge (per kWh): Summer	10.6910 ¢	10.8470 ¢
Non-Summer	10.0840 ¢	10.2300 ¢
Act 141 \$ in Base Rates	0.1710 ¢	0.1710 ¢
Approx. Act 141 \$ in Lg.Cust. Rates	0.0860 ¢	0.0860 ¢
Fuel Adjustment Clause (per kWh)	0.0000 ¢	0.0000 ¢

CONTROLLED WATER HEATING 11 HR. SERVICE, Rw-3

Equivalent Monthly Customer Charge	\$3.42	\$3.42
Daily Customer Charge	\$0.1125	\$0.1125
Energy Charge (per kWh) Summer	7.5060 ¢	7.6240 ¢
Non-Summer	6.8910 ¢	6.9990 ¢
Fuel Adjustment Clause (per kWh)	0.0000 ¢	0.0000 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES	PRESENT	AUTHORIZED
BY RATE CLASSIFICATION	RATES	RATES

GENERAL SERVICE TIME-OF-DAY with WATER HEATING, Gw-1

Equivalent Monthly Customer Charge		\$7.67	\$7.67
Daily Customer Charge		\$0.2522	\$0.2522
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	19.2700 ¢	19.5130 ¢
	Non-Summer	18.1470 ¢	18.3750 ¢
Off-Peak (12 hr.):	Summer	5.1810 ¢	5.2470 ¢
	Non-Summer	5.1810 ¢	5.2470 ¢
On-Peak (14 hr.):	Summer	18.3520 ¢	18.5840 ¢
	Non-Summer	17.2830 ¢	17.5000 ¢
Off-Peak (10 hr.):	Summer	5.1810 ¢	5.2470 ¢
	Non-Summer	5.1810 ¢	5.2470 ¢
Fuel Adjustment Clause (per kWh)	On-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	On-Peak (14 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (10 hr.):	0.0000 ¢	0.0000 ¢

COMMERCIAL SERVICE -- STANDARD, Cg-2

Equivalent Monthly Customer Charge:	Single-phase	\$24.88	\$24.88
	Three-phase	\$28.00	\$28.00
Daily Customer Charge:	Single-phase	\$0.8180	\$0.8180
	Three-phase	\$0.9205	\$0.9205
Firm Demand Charges (per kW):	Summer	\$10.00	\$10.00
	Non-Summer	\$8.53	\$8.53
Customer Demand Charge		\$2.00	\$2.00
Energy Charge (per kWh):	Summer	6.4500 ¢	6.5280 ¢
	Non-Summer	5.3100 ¢	5.3740 ¢
Energy Limiter (per kWh):		14.6500 ¢	14.7390 ¢
Act 141 \$ in Base Rates		0.1030 ¢	0.1030 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		0.1120 ¢	0.1120 ¢
Primary Voltage Discount		2.50%	2.50%
Customer Demand Discount (per kW)		\$0.22	\$0.22
Fuel Adjustment Clause (per kWh)		0.0000 ¢	0.0000 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	AUTHORIZED RATES
COMMERCIAL SERVICE -- Cg-2 TOD			
Equivalent Monthly Customer Charge:	Single-phase	\$24.88	\$24.88
	Three-phase	\$28.00	\$28.00
Daily Customer Charge:	Single-phase	\$0.8180	\$0.8180
	Three-phase	\$0.9205	\$0.9205
Firm Demand Charges (per kW):	Summer 12 hr. On-pk	\$10.40	\$10.40
	Non-Summer	\$8.87	\$8.87
	Summer 14 hr. On-pk	\$10.00	\$10.00
	Non-Summer	\$8.53	\$8.53
Customer Demand Charge		\$2.00	\$2.00
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	7.8850 ¢	7.9740 ¢
	Non-Summer	6.7560 ¢	6.8320 ¢
Off-Peak (12 hr.):	Summer	4.4530 ¢	4.5030 ¢
	Non-Summer	4.4530 ¢	4.5030 ¢
On-Peak (14 hr.):	Summer	7.5820 ¢	7.6670 ¢
	Non-Summer	6.4960 ¢	6.5690 ¢
Off-Peak (10 hr.):	Summer	4.4530 ¢	4.5030 ¢
	Non-Summer	4.4530 ¢	4.5030 ¢
Act 141 \$ in Base Rates		0.1030 ¢	0.1030 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		0.1120 ¢	0.1120 ¢
Primary Voltage Discount		2.50%	2.50%
Customer Demand Discount (per kW)		\$0.22	\$0.22
Fuel Adjustment Clause (per kWh)	On-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	On-Peak (14 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (10 hr.):	0.0000 ¢	0.0000 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	AUTHORIZED RATES
INDUSTRIAL SERVICE, Cp-1			
Equivalent Monthly Customer Charge		\$233.30	\$233.30
Daily Customer Charge		\$7.6700	\$7.6700
Firm Demand Charges (per kW):	Summer 12 hr. On-pk	\$12.11	\$12.11
	Non-Summer	\$10.63	\$10.63
	Summer 14 hr. On-pk	\$11.53	\$11.53
	Non-Summer	\$10.12	\$10.12
Customer Demand Charge		\$2.00	\$2.00
Cp-1C Standby Demand Charge		\$2.00	\$2.00
Interruptible Demand Charges:			
1 Hr. Notice (12 hr):	Summer	\$8.08	\$8.08
	Non-Summer	\$6.60	\$6.60
Instantaneous (12 hr):	Summer	\$7.19	\$7.19
	Non-Summer	\$5.71	\$5.71
1 Hr. Notice (14 hr):	Summer	\$7.50	\$7.50
	Non-Summer	\$6.09	\$6.09
Instantaneous (14 hr):	Summer	\$6.61	\$6.61
	Non-Summer	\$5.20	\$5.20
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	7.0820 ¢	7.1480 ¢
	Non-Summer	6.0740 ¢	6.1310 ¢
Off-Peak (12 hr.):	Summer	3.9420 ¢	3.9780 ¢
	Non-Summer	3.9420 ¢	3.9780 ¢
On-Peak (14 hr.):	Summer	6.7450 ¢	6.8080 ¢
	Non-Summer	5.7850 ¢	5.8390 ¢
Off-Peak (10 hr.):	Summer	3.9420 ¢	3.9780 ¢
	Non-Summer	3.9420 ¢	3.9780 ¢
Energy Limiter (per kWh):	Summer	14.6500 ¢	14.7390 ¢
Energy Limiter (per kWh):	Non-Summer	14.6500 ¢	14.7390 ¢
Act 141 \$ in Base Rates		0.1030 ¢	0.1030 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		0.0990 ¢	0.0990 ¢
Fuel Adjustment Clause (per kWh)	On-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	On-Peak (14 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (10 hr.):	0.0000 ¢	0.0000 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION		PRESENT RATES	AUTHORIZED RATES
INDUSTRIAL SERVICE, Cp-2 -- Transmission			
Equivalent Monthly Customer Charge		\$560.00	\$560.00
Daily Customer Charge		\$18.4110	\$18.4110
Firm Demand Charges (per kW):	Summer 12 hr. On-pk	\$11.50	\$11.50
	Non-Summer	\$10.08	\$10.08
	Summer 14 hr. On-pk	\$10.95	\$10.95
	Non-Summer	\$9.60	\$9.60
Customer Demand Charge		\$1.00	\$1.00
Cp-2C Standby Demand Charge		\$2.00	\$2.00
Interruptible Demand Charges:			
1 Hr. Notice (12 hr):	Summer	\$7.60	\$7.60
	Non-Summer	\$6.18	\$6.18
Instantaneous (12 hr):	Summer	\$6.74	\$6.74
	Non-Summer	\$5.32	\$5.32
1 Hr. Notice (14 hr):	Summer	\$7.05	\$7.05
	Non-Summer	\$5.70	\$5.70
Instantaneous (14 hr):	Summer	\$6.19	\$6.19
	Non-Summer	\$4.84	\$4.84
Energy Charge (per kWh):			
On-Peak (12 hr.):	Summer	6.7280 ¢	6.7700 ¢
	Non-Summer	5.7710 ¢	5.8070 ¢
Off-Peak (12 hr.):	Summer	3.7450 ¢	3.7680 ¢
	Non-Summer	3.7450 ¢	3.7680 ¢
On-Peak (14 hr.):	Summer	6.4080 ¢	6.4480 ¢
	Non-Summer	5.4960 ¢	5.5300 ¢
Off-Peak (10 hr.):	Summer	3.7450 ¢	3.7680 ¢
	Non-Summer	3.7450 ¢	3.7680 ¢
Reactive Energy (per RkVAh)		0.1015 ¢	0.1015 ¢
Load Factor Energy Credit (per kWh):		0.4500 ¢	0.4500 ¢
Act 141 \$ in Base Rates		0.1030 ¢	0.1030 ¢
Approx. Act 141 \$ in Lg.Cust. Rates		0.0890 ¢	0.0890 ¢
Fuel Adjustment Clause (per kWh)	On-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (12 hr.):	0.0000 ¢	0.0000 ¢
	On-Peak (14 hr.):	0.0000 ¢	0.0000 ¢
	Off-Peak (10 hr.):	0.0000 ¢	0.0000 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES BY RATE CLASSIFICATION	PRESENT RATES	AUTHORIZED RATES
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TRAFFIC SIGNAL SERVICE, Mz-1

Equivalent Monthly Customer Charge -- 1-phase Secondary	\$5.08	\$5.08
Daily Customer Charge	\$0.1670	\$0.1670
Energy Charge (per kWh): Summer	10.8580 ¢	10.9750 ¢
Non-Summer	9.7980 ¢	9.9040 ¢
Fuel Adjustment Clause (per kWh)	0.0000 ¢	0.0000 ¢

CIVIL DEFENSE & FIRE SIRENS SERVICE, Mz-2

Equivalent Monthly Customer Charge:	Single-phase Secondary	\$1.30	\$1.31
	Three-phase Secondary	\$4.99	\$5.04
	3 phase Add'l. 10 kW	\$1.32	\$1.33
Daily Customer Charge:	Single-phase Secondary	\$0.0427	\$0.0431
	Three-phase Secondary	\$0.1642	\$0.1658
	3 phase Add'l. 10 kW	\$0.0434	\$0.0438
Fuel Adjustment Clause (per kWh)		0.0000 ¢	0.0000 ¢

STREET LIGHTING SERVICE, Ms-1

Annual Charges (per Unit):			
Horizontal Mast Arm		\$105.60	\$106.60
Horizontal Bracket		\$80.00	\$80.80
Aluminum Pole		\$147.20	\$148.60
Aluminum Pole - Pole Upfront		\$60.50	\$61.10
Aluminum Pole - Pole & Fixture		\$38.40	\$38.80
Concrete Pole		\$232.70	\$234.90
Concrete Pole - Pole Upfront		\$60.50	\$61.10
Concrete Pole - Pole & Fixture		\$38.40	\$38.80
Energy Charge (per kWh): Summer		6.2120 ¢	6.2710 ¢
Non-Summer		6.2120 ¢	6.2710 ¢
Fuel Adjustment Clause (per kWh)		0.0000 ¢	0.0000 ¢
Daily Credits for Continued Lamp Outage (per Fixture):			
S54-SB-100 (100 W HPS w/ 17 W ballast)		7.9650 ¢	8.0410 ¢
S55SC-150 (150 W HPS w/ 25 W ballast)		11.9130 ¢	12.0270 ¢
S50VA-250/S (250 W HPS w/ 45 W ballast)		20.0830 ¢	20.2730 ¢
S51WA-400 (400 W HPS w/ 80 W ballast)		32.6770 ¢	32.9870 ¢

WISCONSIN POWER & LIGHT COMPANY
SUMMARY OF ELECTRIC RATES

ELECTRIC RATES	PRESENT	AUTHORIZED
BY RATE CLASSIFICATION	RATES	RATES

AREA LIGHTING SERVICE, Ms-3

Monthly Charges (per Fixture):

100W Existing Wood Pole Roadway Overhead	\$12.20	\$12.30
150W Existing Wood Pole Roadway Overhead	\$13.70	\$13.80
250W Existing Wood Pole Roadway Overhead	\$17.20	\$17.40
250W Existing Wood Pole Flood Overhead	\$18.70	\$18.90
400W Existing Wood Pole Flood Overhead	\$20.60	\$20.80
100W New Wood Pole Roadway Overhead	\$22.20	\$22.40
150W New Wood Pole Roadway Overhead	\$23.60	\$23.80
250W New Wood Pole Roadway Overhead	\$27.20	\$27.50
250W New Wood Pole Flood Overhead	\$28.80	\$29.10
400W New Wood Pole Flood Overhead	\$30.70	\$31.00
100W New Decorative Pole Roadway Overhead	\$25.10	\$25.40
150W New Decorative Pole Roadway Overhead	\$26.50	\$26.80
250W New Decorative Pole Roadway Overhead	\$29.40	\$29.70
250W New Decorative Pole Flood Overhead	\$31.40	\$31.70
400W New Decorative Pole Flood Overhead	\$33.60	\$33.90
100W Existing Wood Pole Roadway Undergnd	\$21.40	\$21.60
150W Existing Wood Pole Roadway Undergnd	\$22.20	\$22.40
250W Existing Wood Pole Roadway Undergnd	\$25.50	\$25.80
250W Existing Wood Pole Flood Underground	\$26.80	\$27.10
400W Existing Wood Pole Flood Underground	\$29.40	\$29.70
100W New Wood Pole Roadway Underground	\$31.40	\$31.70
150W New Wood Pole Roadway Underground	\$32.50	\$32.80
250W New Wood Pole Roadway Underground	\$35.40	\$35.80
250W New Wood Pole Flood Underground	\$36.90	\$37.30
400W New Wood Pole Flood Underground	\$39.60	\$40.00
70W Upfront Concrete/Fiberglass Pole Acorn	\$23.60	\$23.80
70W New Concrete Pole Acorn	\$26.10	\$26.40
70W New Fiberglass Pole Acorn	\$26.10	\$26.40
150W Upfront Concrete/Fiberglass Pole Acorn	\$26.50	\$26.80
150W New Concrete Pole Acorn	\$40.00	\$40.40
150W New Fiberglass Pole Acorn	\$37.30	\$37.70

Continued on next page.

WISCONSIN POWER & LIGHT COMPANY

SUMMARY OF ELECTRIC RATES

ELECTRIC RATES	PRESENT	AUTHORIZED
BY RATE CLASSIFICATION	RATES	RATES

AREA LIGHTING SERVICE, Ms-3 (Continued)

Monthly Charges (per Fixture):		
70W Upfront Concrete/Fiberglass Pole Colonial	\$20.60	\$20.80
70W New Concrete Pole Colonial	\$21.90	\$22.10
70W New Fiberglass Pole Colonial	\$21.90	\$22.10
150W Upfront Concrete/Fiberglass Pole Colonial	\$22.20	\$22.40
150W New Concrete Pole Colonial	\$35.10	\$35.50
150W New Fiberglass Pole Colonial	\$32.10	\$32.40
250W Upfront Pole Downlight Fixture	\$25.10	\$25.40
250W Upfront Downlight Additional Fixture	\$25.10	\$25.40
250W New Pole Downlight Fixture	\$42.50	\$42.90
400W Upfront Pole Downlight Fixture	\$26.50	\$26.80
400W Upfront Downlight Additional Fixture	\$26.50	\$26.80
400W New Pole Downlight Fixture	\$49.30	\$49.80
250W Upfront Pole Metal Halide Fixture	\$28.00	\$28.30
250W Upfront Metal Halide Additional Fixture	\$28.00	\$28.30
250W New Pole Metal Halide Fixture	\$45.40	\$45.90
400W Upfront Pole Metal Halide Fixture	\$29.40	\$29.70
400W Upfront Metal Halide Additional Fixture	\$29.40	\$29.70
400W New Pole Metal Halide Fixture	\$52.30	\$52.80
Fuel Adjustment Clause (per Fixture)	0.000 ¢	0.0000 ¢

DECORATIVE LIGHTING SERVICE, Ms-2

Monthly Charges (per Fixture):		
70 W Single	\$18.37	\$18.55
70 W Double	\$27.67	\$27.95
Energy Charge (per kWh):	Summer	6.2120 ¢
	Non-Summer	6.2120 ¢
Fuel Adjustment Clause (per kWh)	0.0000 ¢	0.0000 ¢

NON-STANDARD LIGHTING SERVICE, NL-1

Monthly Rate (applies to \$ of investment)		1.80%	1.80%
Energy Charge (per kWh):	Summer	6.4440 ¢	6.5060 ¢
	Non-Summer	6.4440 ¢	6.5060 ¢
Fuel Adjustment Clause (per kWh)		0.0000 ¢	0.0000 ¢

Wisconsin Power and Light Company
6680-UR-117
Monthly Fuel Monitoring Costs for the 12 Months Ended December 31, 2011

Line		Net MWh		Fuel Costs	Fuel Costs	Cummulative
#	Month	Produced		Produced	per Net kWh	Cost
					per kWh	
1	January-11	1,194,778	\$	31,582,000	\$ 0.02643	\$ 0.02643
2	February-11	1,040,226	\$	27,013,000	\$ 0.02597	\$ 0.02622
3	March-11	1,126,256	\$	31,207,000	\$ 0.02771	\$ 0.02672
4	April-11	1,050,302	\$	26,845,000	\$ 0.02556	\$ 0.02644
5	May-11	1,097,747	\$	26,450,000	\$ 0.02409	\$ 0.02597
6	June-11	1,166,497	\$	29,249,000	\$ 0.02507	\$ 0.02582
7	July-11	1,303,020	\$	32,591,000	\$ 0.02501	\$ 0.02569
8	August-11	1,299,658	\$	34,375,000	\$ 0.02645	\$ 0.02579
9	September-11	1,157,691	\$	28,850,000	\$ 0.02492	\$ 0.02570
10	October-11	1,109,134	\$	27,104,000	\$ 0.02444	\$ 0.02557
11	November-11	1,048,886	\$	22,382,000	\$ 0.02134	\$ 0.02522
12	December-11	1,159,043	\$	27,899,000	\$ 0.02407	\$ 0.02512
13	Total	13,753,238	\$	345,547,000	\$ 0.02512	\$ 0.02512